[Mr. S. Narayana Aiyar]

WAYS AND MEANS.

15. The final accounts of 1120 resulted in an opening cash balance of Rs 497 lakhs for the current year with short-term deposits in Banks to the extent of Rs 40 lakhs. The transactions of the current year under Revenue, Capital, and Debt Heads are expectd to result in a net withdrawal of Rs 181·33 lakhs due to large investments in gilt-edged Securities and short-term deposits in Banks. The year is therefore expected to close with a cash balance of Rs 316·13 lakhs. The result of the several transactions during the next year is estimated to be a net receipt of Rs 102·97 lakhs including an investment of Rs 50 lakhs in short-term deposits in Banks. The year 1122 is thus expected to close with a cash balance of Rs 419 lakhs. Though this balance is far in excess of the amount required to carry on the day to day transactions of Government, this level has to be maintained to meet the Capital and Post-War-Reconstruction Schemes and the food purchase programme during the next year. We will thus have at the end of the next year a cash balance of Rs 419 lakhs short-term deposits in Banks to the extent of Rs 400·98 lakhs, besides other safe and fluid investments of more than Rs 460·45 lakhs. The cash position may therefore be considered to be as strong as ever and so far as one can foresee there will be no necessity to raise loans from the public in the near future.

WAR-TIME FINANCE—A REVIEW.

16. As the budget that is presented to the House to-day is the first post-war budget, a general review of the finances of the State during the period of the war may not be inappropriate to the occasion. Though hostilities were declared towards the close of 1114, it was not until Japan entered into the field that our finances were affected by the war conditions. During 1115, the first year of the war, our revenues stood at Rs. 267·75 lakhs and the expenditure at Rs. 268·52 lakhs, resulting in a small deficit of Rs. ·57 of a lakh. The year 1116 ended in a surplus of Rs. 6·63 lakhs as the result of a revenue receipt of Rs. 276 79 lakhs and an expenditure of Rs. 270·16 lakhs. The revenue for the succeeding year crossed the three crores limit and mounted up to Rs. 314·52 lakhs against an expenditure of 276·19 lakhs, leaving a revenue surplus of Rs. 38·33 lakhs. During 1118, the revenue went up still higher and stood at Rs. 398·08 lakhs and the expenditure at Rs. 294·88 lakhs, the resultant surplus having been Rs. 103·20

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